



Notice to the Market - 04/20

UEG Araucária Thermal Power Plant - Gas Supply Agreement

Companhia Paranaense de Energia - COPEL, a company that generates, transmits, distributes and sells power, with shares listed on B3 (CPLE3, CPLE5, CPLE6), the NYSE (ELPVY, ELP) and the LATIBEX (XCOP), hereby announces to its shareholders and the market in general that a gas supply agreement was signed between Petróleo Brasileiro S.A - Petrobras and UEG Araucária Ltda - UEGA. The agreement is valid from February 21th to December 31th, 2020 and it provides for the delivery of up to 2,150,000 cubic meters of natural gas per day, without take-or-pay clauses. As a result, TPP Araucária will remain available to the National Interconnected System - SIN and can therefore be dispatched at the discretion of the National System Operator - ONS.

The Variable Cost per Unit (CVU) until April 30th, 2020, to TPP Araucária, pursuant to Aneel Resolution nº [599/2020](#), are the following:

Approved item, on the terms of MME Resolution nº 504/2018	Value
CVU (with fixed costs included)	681.79 R\$/MWh
CVU (without fixed costs included)	483.02 R\$/MWh
Generation amount needed to the fixed costs' recovery, counted from October 9th, 2019	640,872 MWh

However, UEG Araucária signed an amendment to the Transfer of Energy Credits agreement with Petróleo Brasileiro S.A. - Petrobras, in accordance with Aneel's Normative Resolution no. 614/2014, for the same duration as the gas supply agreement. The amendment will allow the plant to be dispatched out of merit order, and the gas supplier will inform TPP Araucária weekly whether it will activate the plant. In this context, dispatch will not be charged at the Variable Cost per Unit (CVU) approved by Aneel, but at the value agreed by the parties, taking into account, among other factors, market opportunities and margins considered adequate for the operation of the plant, thus enabling the recovery of the fixed cost related to the dispatch period.

With an installed capacity of 484 MW, the combined cycle power plant is one of the most efficient in the country.

Curitiba, February 27, 2019.

Ana Letícia Feller

Director of Business Management as Chief Financial and Investor Relations Officer

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